

08/09/2022

FOB China HRC

The index kept stable yesterday (7.9.22) at US\$564/t, MTD US\$567.2/t.

China's August steel exports fell by 7.8pc from July, the third month of decline, according to data from China Customs. The impact of Posco's suspension was unclear with talks emerging that the mill was finding ways to sell slabs. Southeast Asian buyers may not consider imported slab at levels higher than \$500/t cfr given the weak regional demand. While a South Korean participant said the impact would be limited as Posco would switch production to Gwangyang Works. Other participants expect the supply disruption to support prices.

Offers were unchanged at \$590-600/t cfr Vietnam for SAE1006-grade coils. But market expected mills to increase offers soon considering the potential tight supply from South Korea after Posco suspended operations while European mills cut output. Vietnamese mill Hoa Phat lifted its export offers for both SS400 and SAE1006-grades coils by around \$10/t to \$610/t fob, mostly to Europe, a Vietnamese trader said. The offer attracted bids at around \$580/t fob Vietnam. (Argus)

EU HRC

EU prices broadly static The Argus daily Italian hot-rolled coil (HRC) index rose by €1/t to €769.50/t ex-works, while the north-west European benchmark was unchanged at €769/t. Italian buyers are still not convinced prices are going to hold at higher levels, and are appearing to not move their price expectations much compared with August. Some business was heard concluded around the €770/t ex-works mark, whereas some buy-side indications were still being heard today between €760-780/t delivered. Today a Taiwanese offer for CRC was heard at €790/t cif Italy, offered through a trader. Direct-to-buyer offers for larger quantities could be lower.

Another offer was heard from Taiwan at €780-790/t cnf. A Japanese mill has withdrawn offers in Europe in the aftermath of the flooding at Korea's Posco on Tuesday. The producer is mulling a \$50/t increase, which would take its HRC offer to \$720-730/t cif Italy. Other suppliers in Asia are expected to increase offers as well, especially as they could redirect more tonnage regionally to fill the anticipated gap in supply left by Posco. That's also what European mills are hoping would happen, which would in turn allow them to finally lift prices. Some suggest Korea could import more coil from China, while selling greater slab volumes into the merchant market as its rolling lines are damaged. A Turkish HRC offer was heard around \$700/t cfr. There was talk that import deals for more than 30,000t closed last week into Italy at \$645-655/t cfr — the same price was heard for both Turkish and Asian-origin material. Cold-rolled coil (CRC) was heard sold at \$750/t cfr. Some CRC offers were heard last week at €765-770/t cfr from Asian suppliers. (Argus)

Turkish Scrap

Benelux exporters push HMS collection prices lower

Further decline expected in CFR Turkey market

Turkish import deepsea scrap prices continued to fall Sept. 7, as a lower-priced US-origin deal was booked. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 7 at \$375/mt CFR, down \$4.75/mt on the day. A US-origin deal was booked Sept. 6 by a Marmara mill, with HMS 1/2 (80:20) at \$375/mt CFR and shredded and bonus scrap at \$390/mt CFR. The deal was confirmed by the sell-side. Following the 4.30 pm pricing deadline, a Baltic-origin cargo was heard to be booked on Sept. 7 by a Marmara mill, with HMS 1/2 (80:20) at \$363/mt CFR, highlighting the steep downtrend. "With all the mill stoppages in Europe, they will need less scrap, so we're seeing more export offers and sales to Turkey," a Turkish mill source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) below \$375/mt CFR.

HMS collection prices in the Benelux region were heard lower on the day as exporters targeted below Eur320-330/mt delivered to the dock. "Now we're checking what workable level is possible for purchase since the same problems [slow inflow] are there just as in the last two weeks," an EU recycler said. "Eur320-330/mt delivered for HMS dock prices does not fit to \$360-\$370/mt CFR Turkey." One Turkish agent source expected US/Baltic-origin HMS 1/2 (80:20) to be workable below \$370-\$375/mt CFR within a week, while a UK trader said \$365-\$370/mt CFR would soon be possible for US/Baltic-origin HMS 1/2 (80:20). (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	375.00	-4.75	386.25
Steel Rebar FOB Turkey (\$/mt)	675.00	5.00	667.00
Argus HRC NW Europe (€/mt)	769.00	0.00	763.95
Argus FOB China HRC (\$/mt)	564.00	0.00	567.20

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	565	595	580
Oct-22	590	620	605
Nov-22	605	635	620
Q4-22	613	623	618
Q1-23	640	650	645
Q2-23	657	667	662

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-22	360	370	365
Oct-22	357	367	362
Nov-22	355	365	360
Q4-22	356	366	354
Q1-23	349	359	354
Q2-23	337	347	342

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	675	685	680
Oct-22	675	685	680
Nov-22	665	675	670
Q4-22	667	677	672
Q1-23	640	650	645
Q2-23	612	622	617

BUSHELING			
	Bid	Ask	Value
Sep-22	425	435	430
Oct-22	435	445	440
Nov-22	445	455	450
Q4-22	445	455	450
Q1-23	470	480	475
Q2-23	498	508	503

US HRC USD/short ton			
	Bid	Ask	Value
Sep-22	800	820	810
Oct-22	805	825	815
Nov-22	810	830	820
Q4-22	812	832	822
Q1-23	838	858	848
Q2-23	878	898	888

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-22	790	810	800
Oct-22	820	840	830
Nov-22	825	845	835
Q4-22	830	840	835
Q1-23	848	858	853
Q2-23	862	872	867

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